



IN REPLY REFER TO:

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Salt Lake Field Office
2370 South 2300 West
Salt Lake City, Utah 84119

RECEIVED

FEB 05 2001

DIVISION OF
OIL, GAS AND MINING

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U-77761
(UT-023)

FEB 2 2001

Mr. Lon Thomas
Star Stone Quarries, Inc.
4040 South 300 West
Salt Lake City, UT 84107

Dear Mr. Thomas:

On January 18, 2001 we received sufficient information from you to begin preparing an Environmental Assessment (EA) for your Plan of Operations (Plan) to conduct mining activities on the Rosebud #1 and #2 placer mining claims located in the W $\frac{1}{2}$ of Section 14, T. 10 N., R. 16 W. (UMC 354975-354976). We assigned your Plan as casefile serial number U-77761. Please refer to that serial number for all correspondence related to your Plan.

On January 31, 2001 we received your letter requesting an update as to the current status of the EA. The EA is currently being routed through the Salt Lake Field Office for comments and environmental clearances from office staff, as required under Federal surface management regulations at 43 CFR 3809. At the present time, it appears that your Plan is complete. We do not anticipate any delay in processing the EA for your proposed mining operation and subsequently approving your Plan, subject to stipulations developed in that document. We anticipate that you would receive formal approval from the Bureau of Land Management (BLM) to conduct operations in the Rosebud area by February 18, 2001. Upon receiving approval for your operation, you will have the right to appeal BLM's stipulations or other requirements that you don't agree with.

We understand that the Utah Division of Oil, Gas and Mining (UDOGM) has approved Star Stone Quarries, Inc. (SSQ) Plan to mine in the Rosebud area, subject to SSQ receiving a separate approval from the BLM. Although you have UDOGM's approval to initiate your proposed mining operation, and have provided that agency with a reclamation bond for your proposed activities, it is our agreement with UDOGM that you cannot expand your operation beyond the "footprint" of the existing disturbance without first receiving Plan approval from the BLM. We consider the "footprint" of the existing disturbance to be that area which lies within the boundaries marked with "tee" posts by David Ryzak of SSQ and Lynn Kunzler of UDOGM in October, 2000.

The BLM authorized SSQ to conduct mining activities, and to remove up to 500 tons of quartzite "building stone" from within the boundaries of the existing "footprint" of the Rosebud quarries,

after we received your check for \$4,500.00 on September 28, 2000. These monies have been placed in a suspense account until a determination as to the locatability of the Rosebud quartzite building stone has been made. The removal of "building stone" from the Rosebud quarries by SSQ (or any other operator) above the 500 tons previously paid for requires that SSQ provide additional monies to the BLM, at the rate of \$9.00 per ton, before the building stone is removed from the area.

In summary, SSQ currently has BLM's approval to mine up to 500 tons of quartzite "building stone" from within the boundaries of the existing "footprint" of the Rosebud quarries. Any expansion of the existing quarries will not be authorized until your Plan has been formally approved and you have agreed to comply with the stipulations developed in BLM's EA.

If you have any questions, or require additional information, please feel free to contact Michael Ford of my staff at (801) 977-4360.

Sincerely,

/S/ MICHAEL G. NELSON

Michael G. Nelson
Assistant Field Manager
Non-Renewable Resources

cc: D. Wayne Hedberg